

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-02470A
White Mountain Water Company
P. O. Box 1760
Payson AZ 85547

ANNUAL REPORT
RECEIVED

APR 01 2005
AZ Corporation Commission
Director Of Utilities

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2004 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| ANN04 | 04 |
|-------|----|

COMPANY INFORMATION

Company Name (Business Name) White Mountain water

Mailing Address PO Box 1760
(Street)
Payson AZ 85547
(City) (State) (Zip)

928-468-8558 928-601-3497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address joncheney@hotmail.com

Local Office Mailing Address _____
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Jon Cheney operator/manager
(Name) (Title)

PO Box 1760 Payson AZ 85547
(Street) (City) (State) (Zip)

928-468-8558 928-601-3497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Same ↑
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jon Cheney
(Name)
PO Box 1760 Payson AZ 85547 793 Highline Dr Payson AZ 85541
(Street) (City) (State) (Zip)
928-468-8558 928-601-3497
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

White Mountain Water

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|-----------------------------|
| 301 | Organization | 2140 | 2140 | - 0 - |
| 302 | Franchises | - | - | - |
| 303 | Land and Land Rights | 8,000 | - 0 - | 8,000 |
| 304 | Structures and Improvements | 1,719 | 1719 | - 0 - |
| 307 | Wells and Springs | 31,362 | 21,374 | 9,988 |
| 311 | Pumping Equipment | 28,889 | 26,488 | 2,401 |
| 320 | Water Treatment Equipment | - | - | - |
| 330 | Distribution Reservoirs and Standpipes | 39,900 | 28,188 28,000 | 11,712 11,900 |
| 331 | Transmission and Distribution Mains | 139,589 | 139,359 | 230 |
| 333 | Services | 39,534 | 39,463 | 71 |
| 334 | Meters and Meter Installations | 4552 | 4552 | - 0 - |
| 335 | Hydrants | 28,000 | 28,000 | - 0 - |
| 336 | Backflow Prevention Devices | - | - | - |
| 339 | Other Plant and Misc. Equipment | 475 | 475 | - 0 - |
| 340 | Office Furniture and Equipment | - | - | - |
| 341 | Transportation Equipment | - | - | - |
| 343 | Tools, Shop and Garage Equipment | - | - | - |
| 344 | Laboratory Equipment | - | - | - |
| 345 | Power Operated Equipment | 383 | 383 | - 0 - |
| 346 | Communication Equipment | - | - | - |
| 347 | Miscellaneous Equipment | - | - | - |
| 348 | Other Tangible Plant | - | - | - |
| | TOTALS | 324,543 | 292,141 | 32,402 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

White Mountain Water Co

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | 2,140 | 0 | 0 |
| 302 | Franchises | — | — | — |
| 303 | Land and Land Rights | 8,000 | — | — |
| 304 | Structures and Improvements | 1,719 | — | 0 |
| 307 | Wells and Springs | 31362 | 1.55 | 487 |
| 311 | Pumping Equipment | 28889 | .425 | 123 |
| 320 | Water Treatment Equipment | — | — | — |
| 330 | Distribution Reservoirs and Standpipes | 39,900 | 1.48 | 592 |
| 331 | Transmission and Distribution Mains | 139,589 | .078 | 110 |
| 333 | Services | 39534 | .217 | 86 |
| 334 | Meters and Meter Installations | 4552 | — | -0- |
| 335 | Hydrants | 28000 | — | -0- |
| 336 | Backflow Prevention Devices | — | — | — |
| 339 | Other Plant and Misc. Equipment | 475 | -0- | -0- |
| 340 | Office Furniture and Equipment | — | — | — |
| 341 | Transportation Equipment | — | — | — |
| 343 | Tools, Shop and Garage Equipment | — | — | — |
| 344 | Laboratory Equipment | — | — | — |
| 345 | Power Operated Equipment | 383 | -0- | -0- |
| 346 | Communication Equipment | — | — | — |
| 347 | Miscellaneous Equipment | — | — | — |
| 348 | Other Tangible Plant | — | — | — |
| | TOTALS | 324,543 | | 1398 |

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME White Mountain Water

BALANCE SHEET

| Acct .No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 35,134.95 | \$ 30,317.95 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | | |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | | |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 35,134.95 | \$ 30,317.95 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 324,544 | \$ 324,544 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation -- Utility Plant | 290,743 | 292,141 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation -- Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 33,801 | \$ 32,403 |
| | TOTAL ASSETS | \$ 68,936 | \$ 62,721 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME White Mountain Water Co**BALANCE SHEET (CONTINUED)**

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ | \$ |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | | |
| 236 | Accrued Taxes | | |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | |
| | TOTAL CURRENT LIABILITIES | \$ | \$ |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 17,751 | \$ 13,018.23 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ 143,218 | \$ |
| 252 | Advances in Aid of Construction | 143,218 | 143,218 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ 143,218 | \$ 143,218 |
| | TOTAL LIABILITIES | \$ 160,969 | \$ 156,236 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 35,000 | \$ 35,000 |
| 211 | Paid in Capital in Excess of Par Value | 49,232 | 49,232 |
| 215 | Retained Earnings | (176,265) | (177,747) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ (92,033) | \$ (93,515) |
| | TOTAL LIABILITIES AND CAPITAL | \$ 68,936 | \$ 62,721 |

COMPANY NAME White Mountain Water Co**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES | does not include sales tax | |
|--------------|---|----------------------------|---------------|
| | | PRIOR YEAR | CURRENT YEAR |
| 461 | Metered Water Revenue | \$ 94,565.44 | \$ 114,084.61 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | 3.00 | 260.00 |
| | TOTAL REVENUES | \$ 94,865.44 | \$ 114,344.61 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ - 0 - | \$ - |
| 610 | Purchased Water | | - |
| 615 | Purchased Power | 5,625.73 | 8,165.49 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | 2,276.61 | 4,717.91 |
| 621 | Office Supplies and Expense | 45.00 | 60.80 |
| 630 | Outside Services | 81,588.38 | 98,718.14 |
| 635 | Water Testing | 1,526.71 | 694.71 |
| 641 | Rents | | |
| 650 | Transportation Expenses | | |
| 657 | Insurance - General Liability | 1,992.00 | 2,115.00 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense - Rate Case | | |
| 675 | Miscellaneous Expense | | |
| 403 | Depreciation Expense | 2,808.00 | 1,398.00 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | 4420.83 | 4689.56 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 100,283.26 | \$ 120,559.61 |
| | OPERATING INCOME/(LOSS) | \$ (5,417.82) | \$ (6,215.00) |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 1775.10 | 1775.10 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ (1775.10) | \$ (1775.10) |
| | NET INCOME/(LOSS) | \$ (7,192.92) | \$ (7,990.10) |

COMPANY NAME White Mountain Water Co

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------------------|---------|---------|---------|
| Date Issued | 12/85 renewed on 4/1/93 | | | |
| Source of Loan | Jon Cheney | | | |
| ACC Decision No. | | | | |
| Reason for Loan | operating cost | | | |
| Dollar Amount Issued | \$ 85,000 | \$ | \$ | \$ |
| Amount Outstanding | \$ 17,751 | \$ | \$ | \$ |
| Date of Maturity | renewed annually | | | |
| Interest Rate | 10 % | % | % | % |
| Current Year Interest | \$ 1,775.10 | \$ | \$ | \$ |
| Current Year Principle | \$ -0- | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$ -0-

Meter Deposits Refunded During the Test Year

\$ -0-

COMPANY NAME White Mountain Water Co

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|--------------------|--------------------|---------------------|---------------------------|--------------------------------|------------------------|-----------------|
| 55-51177 | 20 | 130 | 460 | 8" | 2" | 1984 |
| 55-581527 | 5 | 25 | 460 | 6" | 2" | 1999 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|-------------------|---|
| / | / | / |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 10 | 1 | 33 | |
| 15 | 1 | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 65,000 | 2 | 5,000 | 1 |
| | | | |
| | | | |

COMPANY NAME White Mountain Water Co

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 3300 |
| 3 | | |
| 4 | | |
| 5 | | |
| 6 | PVC | 19,800 |
| 8 | PVC | 7,200 |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 179 |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | 2 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

1 chlorinator

STRUCTURES:

12x12 pump house

OTHER:

COMPANY NAME: White Mountain water co

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|--------------|---------------------------|
| JANUARY | 168 | 886,690 | |
| FEBRUARY | 168 | 940,250 | |
| MARCH | 170 | 511,970 | |
| APRIL | 170 | 1,259,610 | |
| MAY | 174 | 1,285,090 | |
| JUNE | 177 | 2,115,000 | |
| JULY | 177 | 2,598,200 | |
| AUGUST | 177 | 2,781,640 | |
| SEPTEMBER | 179 | 2,253,000 | |
| OCTOBER | 179 | 2,076,620 | |
| NOVEMBER | 180 | 1,257,130 | |
| DECEMBER | 181 | 1,111,380 | |
| TOTAL | | N/A | |

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. .006 ppb mg/l .006 ppb
 (If more than one well, please list each separately.) #1 #2

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME White Mountain Water Co YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 4,689.56

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

BANK ONE

WHITE MOUNTAIN WATER CO

WHITE MOUNTAIN WATER COMPANY
688
4/28/04
Pay To The Order Of Marijo Cindy Trammel \$ 2,243.29
Two thousand four hundred and forty three and 29/100
BANK ONE, ARIZONA, NA
929-71-000
1122100024:00000944-5444 0000224329

R005140843428 MAY 13 #689 \$2243.29

WHITE MOUNTAIN WATER COMPANY
691
5/14/04
Pay To The Order Of A2 Dept of Revenue \$ 481.51
Four hundred and eighty one and 51/100

| Ck# | Date | Amt |
|--|---------------|----------------|
| | 12/13/04 | \$575.00 |
| | 12/13/04 | 1004 |
| WHITE MOUNTAIN WATER CO. PO BOX 1750 PAYSON, AZ 85547 | | |
| Pay To The Order Of <u>Marijo Cindy Trammel</u> \$ <u>2,446.27</u> <u>Two thousand four hundred and forty six and 27/100</u> BANK ONE, ARIZONA, NA 929-71-000 1122105045: 2701004539 1004 0000244627 | | |
| Ck# 1004 | Date 12/02/04 | Amt \$2,446.27 |
| | 12/24/04 | 1011 |
| WHITE MOUNTAIN WATER CO. PO BOX 1750 PAYSON, AZ 85547 | | |
| Pay To The Order Of <u>Arizona Dept of Revenue</u> \$ <u>585.48</u> <u>Five hundred and eighty five and 48/100</u> BANK ONE, ARIZONA, NA 929-71-000 1122105045: 2701004539 1011 0000058548 | | |
| Ck# 1011 | Date 12/01/04 | Amt \$585.48 |
| | | 1012 |
| WHITE MOUNTAIN WATER CO. | | |

COMPANY NAME White Mountain Water Co YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported Sub "S" corp
Estimated or Actual Federal Tax Liability —

State Taxable Income Reported —
Estimated or Actual State Tax Liability —

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances —
Amount of Gross-Up Tax Collected —
Total Grossed-Up Contributions/Advances —

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Jon Cheney
SIGNATURE

3/28/05
DATE

Jon Cheney
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 01 2005

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

| | |
|--------------------------------|--------------------------------|
| COUNTY OF (COUNTY NAME) | <u>Navajo</u> |
| NAME (OWNER OR OFFICIAL) TITLE | <u>Jon Cheney</u> |
| COMPANY NAME | <u>White Mountain Water Co</u> |

AZ Corporation Commission
Director Of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-----------|-----------|-------------|
| MONTH | DAY | YEAR |
| <u>12</u> | <u>31</u> | <u>2004</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 121,189.80

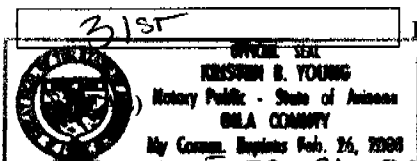
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,845.19
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

| | |
|-------------|--------------|
| COUNTY NAME | <u>GILA</u> |
| MONTH | <u>MARCH</u> |
| YEAR | <u>2005</u> |

Kristin B. Young
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES FEB. 26, 2008

RECEIVED

APR 01 2005
AZ Corporation Commission
Director Of Utilities

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | |
|---|---------------------------|
| COUNTY OF (COUNTY NAME) <u>Narajo</u> | |
| NAME (OWNER OR OFFICIAL) <u>Jon Cheney</u> | TITLE <u>President</u> |
| COMPANY NAME <u>White Mountain Water</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2004 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$121,189.80</u> |
|--|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,845.19
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Jon Cheney
SIGNATURE OF OWNER OR OFFICIAL

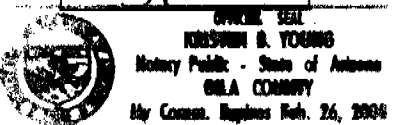
928-468-8558
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31ST **DAY OF**

(SEAL)



MY COMMISSION EXPIRES

FEB. 26, 2008

| | |
|--|------------------|
| NOTARY PUBLIC NAME <u>KRISTEN YOUNG</u> | |
| COUNTY NAME <u>GILA</u> | |
| MONTH <u>MARCH</u> | YEAR <u>2005</u> |

Kristen B. Young
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

11:52 AM
03/31/05
Cash Basis

white mountain water co
Profit & Loss
January through December 2004

| | Jan - Dec 04 |
|----------------------------|-------------------------|
| Income | |
| metered residential income | 121,189.80 |
| sales tax paid | -6,845.19 |
| Total Income | <u>114,344.61</u> |
| Expense | |
| depreciation expense | 1,398.00 |
| insurance | 2,115.00 |
| management fee | 66,000.00 |
| materials & supplies | 4,717.91 |
| misc expenses | 60.80 |
| outside services | 32,718.14 |
| property taxes | 4,689.56 |
| purchased power | 8,165.49 |
| water testing | 694.71 |
| Total Expense | <u>120,559.61</u> |
| Net Income | <u><u>-6,215.00</u></u> |